

2008 Fund Estimate Draft Assumptions April 25, 2007

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Statutory Guidance

- **Revenues**

- Government Code Section 14525 (c) assumes no change in existing statutes.

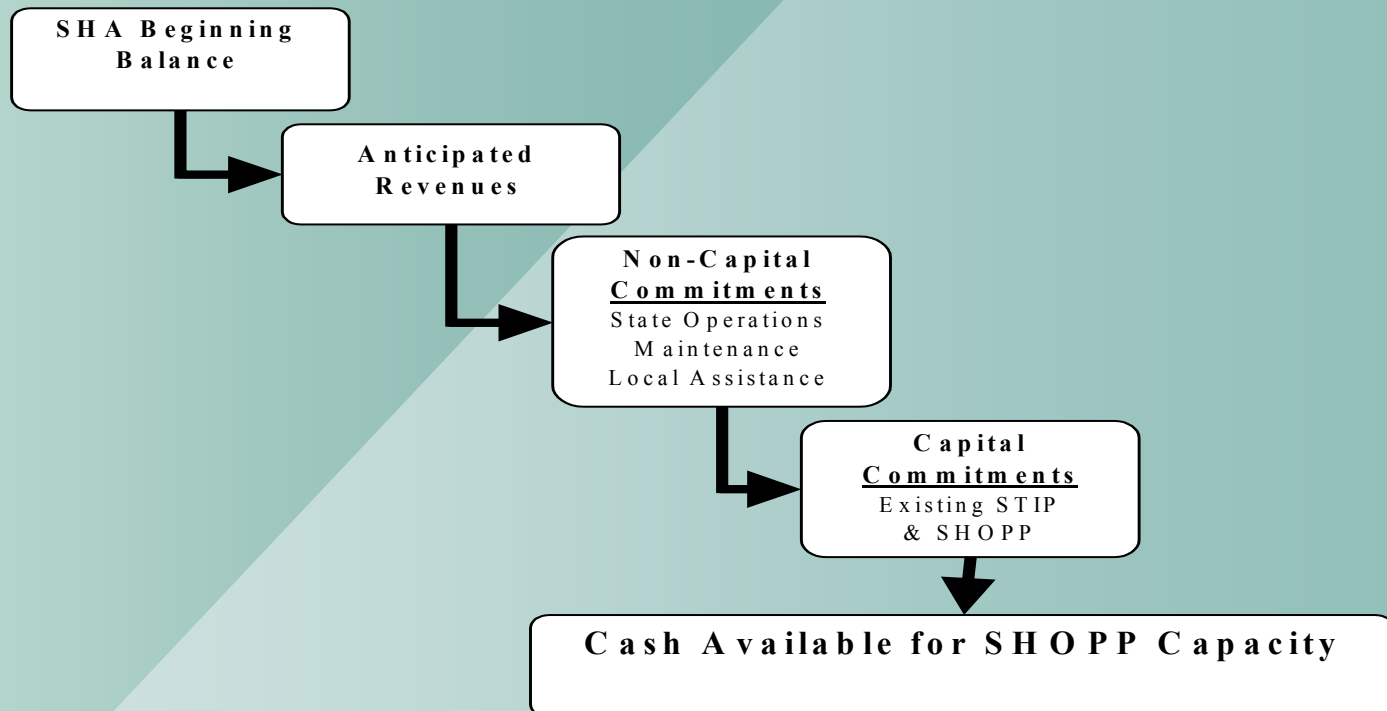
- **Expenditures – Streets & Highways Codes**

- **S&H Code 163(a) – Administrative** based on the most recent Budget adjusted for inflation.
- **S&H Code 163(b) - Maintenance and Operations** based on the most recent Budget adjusted for inflation and inventory.
- **S&H Code 163(c) - State Highway Operation and Protection Plan (SHOPP)** based on the 10-Year SHOPP Plan or most recent Budget.
- **S&H Code 163(d) - Local assistance** amount required to fund local assistance programs required by state or federal law, or regulations.

- **State Transportation Improvement Program (STIP) - S&H Code 163(e)** - The remaining funds available for capital improvement projects to be programmed in the STIP.

Major Change from 2006 FE

- **State Highway Account (SHA) Fund Estimate**
 - The State Highway Account (SHA) FE will be modified to produce a SHOPP program capacity instead of a STIP program capacity.
 - SHOPP program capacity will include funding for the program's capital outlay, capital outlay support, construction cost increases, right-of-way, and the minor program.



Key Policy Issues

- **Pre-Proposition 42 Loan Repayment (Item SHA 12)**
 - Assume the Pre-Proposition 42 loans will be repaid from annual Tribal Gaming Compact revenues of \$100 million, with payments made in accordance with GC Section 63048.65 (e)
- **Federal Obligation Authority (Item SHA 13)**
 - Escalate the amount of 2006-07 OA received at a rate of 1.8 percent, consistent with the projected growth rate for fuel excise tax revenues, which would result in \$15.8 billion in OA over the five-year FE period.
- **GARVEE Bond Financing (Item SHA 28)**
 - Assume no additional capacity from GARVEE bonding during the FE; however, the Commission may issue GARVEE bonds during the FE period if it so chooses.
- **PTA “Spillover” Revenues (Item PTA 5)**
 - Assume spillover revenue transfers will occur throughout the FE period, per existing law.



2007-08 Governor's Budget Issues

- **State Transit Assistance Transfer (Item PTA 11)**
 - Assume spillover revenues are included in the statutory formula split with the STA throughout the FE period.
- **S&HC Section 183.1 Transfers (Item SHA 9 & PTA 7)**
 - Assume S&HC Section 183.1 transfers from the SHA to the PTA occur throughout the FE period, per existing law.
- **Future Funding of Home-to-School (Item PTA 12)**
 - Assume the Home-to-School transportation expenditures are not funded out of the PTA during the FE period.



2008 FE Timeline

- **April 2007- Draft FE Assumptions presented to Commission.**
- **June 2007 - FE Assumptions adopted by Commission.**
- **July 2007 - Draft of FE presented to Commission.**
- **August 2007 - Final FE adopted by Commission.**